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FTC Obtains Settlement With Marketer of Personal Protective Equipment and Light Fixtures Alleging False Claims About Products Being Made in the USA and Government-Certified Agency Brings Enforcement Actions Under the COVID-19 Consumer Protection Act
and the Made in USA Rule

The Federal Trade Commission has **referred a complaint to the Department of Justice [pls link to complaint]** alleging Adam J. Harmon and two companies he controls falsely told consumers that personal protective equipment they marketed during the pandemic, as well as light fixtures they sold, were made in the United States. The FTC charged Harmon and his two companies, Axis LED Group, LLC and ALG-Health LLC, with violating the COVID-19 Consumer Protection Act, the Made in USA Labeling Rule and the FTC Act. **The claims resolved by the Settlement were disputed allegations only, and there has been no determination of liability. Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in the Order.**

The Stipulated Order **(link here)** enters an agreed injunction that would prohibit Defendants from making deceptive claims that products were Made in USA – or, that *because* they were Made in USA, they provided superior protection from COVID-19. The order also would require Defendants to pay a civil penalty to resolve and settle any past claims made by the FTC.

Enforcement Action

The **proposed order settling the FTC’s complaint [pls link to settlement order]** against Harmon, Axis LED Group, LLC, and ALG-Health LLC prohibits the conduct alleged in the complaint. Harmon and his companies:

- **Cannot make deceptive U.S.-origin labeling and advertising claims.** Harmon and his companies are prohibited from claiming that products are made in the United States unless they can (1) show that the product’s final assembly or processing – and all significant processing – takes place in the United States, and that all or virtually all ingredients or components of the product are made and sourced in the United States, or (2) clearly and prominently qualify origin claims to disclose imported content or processing.

- **Must Provide substantiation.** The defendants must substantiate all Made in USA and COVID- 19-related claims, and refrain from making misleading claims for any products or services they provide.
- **Must Pay civil penalties.** The defendants must pay a \$157,683.37 civil penalty, which is due immediately. The defendants are also subject to a \$2.8 million redress judgment, which is suspended due to their inability to pay. Should the FTC discover that the defendants have misstated the value of any assets or failed to disclose them, the agency will seek to have the suspension lifted and the full judgment due immediately.

Protecting consumers and honest businesses from deceptive Made in USA claims is a key priority for the Federal Trade Commission. Over the last year, the agency has brought three other cases in this area, Resident Home, Lions Not Sheep, and Lithionics Battery, LLC. Last August, the Commission voted to finalize the Made in USA Labeling Rule, which enables the Commission to seek civil penalties from companies that make false claims. This is the Commission's [second action this year](#) to enforce the rule.

The FTC's [Enforcement Policy Statement on U.S. Origin Claims](#) provides further guidance on making non-deceptive "Made in USA" claims.

The Commission is also taking aggressive action to combat COVID fraud. The agency has brought more than a dozen cases against COVID-19 predators under the COVID-19 Consumer Protection Act.

The Commission vote to authorize the staff to refer the complaint to the DOJ and to approve the proposed consent decree was 5-0. Commissioners Noah Joshua Phillips and Christine S. Wilson issued **a joint concurring statement [pls link to concurring statement.]** The DOJ filed the complaint and proposed consent decree on behalf of the Commission in U.S. District Court for the Northern District of Ohio.

NOTE: The Commission authorizes the filing of a complaint when it has "reason to believe" that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. Consent decrees have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#), and [subscribe to press releases](#) for the latest FTC news and resources.

MEDIA CONTACT:

Betsy Lordan
Office of Public Affairs
202-326-3707

STAFF CONTACT:

Julia Solomon Ensor
Bureau of Consumer Protection
202-326-2377